



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0306	<b>Title:</b>	Extend certain permanent license plates for motorcycles
<b>Primary Sponsor:</b>	Morgan, Penny	<b>Status:</b>	As Amended

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
General Fund	\$46,090	\$20	\$20	\$20
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$10	\$20	\$20	\$20
State Special Rev - Transfer	\$10	\$20	\$20	\$20
<b>Net Impact-General Fund Balance</b>	<u>(\$46,080)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

#### Description of fiscal impact:

Issuance of special motorcycle license plates for military personnel, veterans and spouses will increase the amount of revenues collected on behalf of the special revenue account for state veterans' cemeteries as provided for in 60-3-459 (2), MCA. In addition, in FY 2010 there would be one-time contracted programming costs for Montana Enhanced Registration and Licensing Information Network (MERLIN) system configurations and testing which would result in a negative impact on the general fund.

HB 306 is one of several bill drafts that seek to modify motor vehicle laws and therefore the motor vehicle licensing system (MERLIN). The fiscal note for each bill will be prepared based on the effect of the individual bill. However, when viewed as a package, the cumulative effect of passage of more than one bill will require additional analysis and may provide opportunities to share or redistribute costs.

*Section 4 of the amended bill states there is no appropriation, however the bill was not amended to remove the need for additional expenditures to accomplish the purpose of the bill. Therefore, the fiscal note still reflects the estimated costs of implementation.*

## FISCAL ANALYSIS

### Assumptions:

1. Motorcycle registration is permanent unless transfer of ownership occurs as stated in 61-3-313 (2), MCA.
2. In FY 2008, there were a total of 10,805 motorcycles registered. In FY 2007, there were a total of 10,667 motorcycle registered, showing there were 138 new registrations in FY 2008 [ $10,805 - 10,667 = 138$  new registrations]. It is assumed the number of new registrations will remain constant through the 2013 biennium.
3. The fees established in Section 1 of HB 306 are the same as those of special motorcycle license plates authorized under 61-3-415, MCA with the exception of the \$10.00 veterans' cemetery fee in HB 306 Section 1 (2)(iii).
4. Based on 61-3-458, MCA, it is assumed only eligible veterans will pay the \$10.00 veteran's cemetery fee. The \$10.00 veterans' cemetery fee collected under section 1 of HB 306 will increase revenues that are deposited in the state general fund and transferred to the special revenue account for state veterans' cemeteries as provided for in 61-3-459 (2), MCA. This revenue would be available for expenditure via an existing statutory appropriation.
5. In CY 2008, there were 1,569,868 vehicles registered with military personnel or veteran status. Of those vehicles registered, 18,410 (or 1.2%) of them were registered with a veteran status [ $18,410 / 1,569,868 = \text{approx. } 1.2\%$ ].
6. If the same rate of military personnel with a veteran status registers their motorcycles, then 1.2% of newly registered motorcycles would pay the \$10.00 veterans' cemetery fee resulting in an increase of fees collected of approximately \$20.00 per year [ $138 \text{ motorcycle registrations} * 1.2\% = \text{approx. } 2 \text{ motorcycle registrations} * \$10.00 \text{ veterans' cemetery fee} = \$20.00 \text{ per year}$ ].
7. Due to the effective date as stated in this bill (1/1/2010), FY 2010 revenues would increase by \$10.00 and subsequent fiscal years would increase by \$20.00.
8. In accordance with HB 306, there would be 17 new license plates to be analyzed, coded, unit tested, quality assurance deployed & user tested.
  - a. One for each of the active military branches (5) = Army, Navy, Air Force, Marines, Coast Guard (61-3-458(2)(d)).
  - b. One for each of the following (12) = Purple Heart, Ex POW, Pearl Harbor, Legion of Valor, One for each branch of veteran (5 = Army, Navy, Air Force, Marines, Coast Guard), National Guard Retired, Purple Heart Disabled, Disabled Vet.
  - c. Military Reserve were not specified in this bill and are therefore not included in this calculation.
9. The fee calculation will need to be updated in MERLIN for the different fee sets for motorcycles with these military plates.
10. The changes to MERLIN will be contracted by Justice Information Technology Division to its contractor. It is estimated that it will take the 288 hours to do the system configuration and testing for a total cost of \$46,080.

### **Department of Corrections**

11. Upon passage of this bill a person would either buy a veteran's motorcycle plate or a normal small plate. The same costs will be incurred for either plate so there would be no increased production cost to the DoC.

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$46,080	\$0	\$0	\$0
Transfers	\$10	\$20	\$20	\$20
<b>TOTAL Funding of Exp.</b>	<b>\$46,090</b>	<b>\$20</b>	<b>\$20</b>	<b>\$20</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$46,090	\$20	\$20	\$20
<b><u>Revenues:</u></b>				
General Fund (01)	\$10	\$20	\$20	\$20
State Spec. Revenue (02)-Tra	\$10	\$20	\$20	\$20
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$46,080)	\$0	\$0	\$0

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*